



DISASTER NEWS

Economic Injury Loans for Small Businesses

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SBA DISASTER LOANS AVAILABLE FOLLOWING SECRETARY OF AGRICULTURE DISASTER DECLARATION

BRISTOL, Va. - The U.S. Small Business Administration (SBA) announces that federal disaster loans are available to small, non-farm, agriculture-dependent businesses located in Scott and Washington counties and the Independent City of Bristol in the Commonwealth of Virginia.

“These counties and city are eligible because they are contiguous to one or more primary counties in the State of Tennessee. SBA recognizes that disasters do not usually stop at the county or state lines. For that reason, counties adjacent to primary counties named in the declaration are included,” according to Frank Skaggs, Director of SBA Field Operations Center East.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by drought and above normal temperatures that occurred May 1, 2005 and continuing.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small, non-farm, agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. A business that sells goods/services to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of farmers and ranchers. Examples of eligible businesses are, but not limited to, farm implement dealers, seed and feed stores, spraying and irrigation businesses. Farmers and ranchers are not eligible to apply to SBA, but nurseries are eligible to apply for economic injury caused by drought conditions.

Eligible small businesses may qualify for loans up to \$1.5 million. These loans are available at a 4.000 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition. Under this disaster declaration, SBA cannot provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help cannot start until they apply,” Skaggs added.

Interested business owners should contact SBA’s National Customer Service Center by calling 1-800-659-2955 (for the hearing-impaired 1-800-877-8339); Monday through Saturday from 8:00 a.m. until 9:00 p.m., EDT. Business loan applications can also be downloaded from the SBA’s website at www.sba.gov/disaster. Completed applications should be mailed to: U.S. Small Business Administration, National Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Completed loan applications must be returned to SBA no later than November 13, 2006.

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For more information about the SBA’s Disaster Loan Programs, visit our website at www.sba.gov/disaster